



# News Release

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**Release Date:** September 25, 2005

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**Release Number:** 05-56

**Internet Address:** <http://www.sba.gov/news>

### *U.S. Small Business Administration Stands Ready To Assist Victims of Hurricane Rita*

**WASHINGTON** – Following the announcement of a Presidential disaster declaration in Texas and Louisiana as a result of Hurricane Rita, SBA Administrator Hector V. Barreto issued the following statement:

“Our hearts go out to the victims of Hurricane Rita. The Small Business Administration is ready to assist those hurt by this powerful storm. As a result of President Bush’s declaration of a federal disaster we will be swift in our efforts, right behind and in careful coordination with our partners at the Federal Emergency Management Agency, to help people rebuild their lives. SBA officials will be in the affected cities and communities very soon to begin offering our assistance.

“SBA is mandated to provide low-cost financing to victims of disaster to help them rebuild, and we take that mandate very seriously. The SBA will have loan officers in every federal/state disaster recovery center that is opened. The agency is already committed to providing help to the survivors of Hurricane Katrina, and we’re prepared to stay in the region as long as it takes to help those affected recover,” Barreto said.

The SBA has more than 2,300 employees working to assist the survivors of Hurricane Katrina in Louisiana, Alabama and Mississippi, and is continuing to hire additional staff to respond to the anticipated demand for SBA loans. Last year after an unprecedented four hurricanes struck Florida and 13 other states last summer, the SBA approved more than \$2.1 billion in disaster loans to about 64,500 residents and business owners in the disaster areas.

SBA offers loans up to \$200,000 to repair disaster damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans to businesses of all sizes and non-profit organizations are available up to \$1.5 million to repair damage to real estate, machinery, equipment and inventory. Economic Injury Disaster Loans (EIDLs) are also available to small businesses unable to pay bills or meet operating expenses. Congress is considering raising these loan limits.

Interest rates can be as low as 2.68 percent for homeowners and renters and 4 percent for businesses with terms up to 30 years. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition.

Residents and business owners in the affected areas can begin the disaster application process by first registering online with FEMA at [www.fema.gov](http://www.fema.gov), or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free numbers will operate 24 hours daily until further notice. FEMA will then make loan referrals to the SBA. Details on the location of recovery centers and loan application deadlines will be provided as the information becomes available. For more information, call the SBA’s customer service center at 1-800-659-2955 daily from 6 a.m. to 11 p.m., or visit the Web site at [www.sba.gov/disaster](http://www.sba.gov/disaster).

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